

**FILED**  
**MAY 04 2021**  
Department of Insurance  
State of Idaho

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE**

**STATE OF IDAHO**

In the Matter of:

PRIVILEGE UNDERWRITERS  
RECIPROCAL EXCHANGE

NAIC ID No. 12873

Docket No. 18-3908-21

**STIPULATION AND FINAL  
ORDER FOR ISSUANCE OF  
IDAHO CERTIFICATE OF  
AUTHORITY**

PRIVILEGE UNDERWRITERS RECIPROCAL EXCHANGE ("PURE"),  
NAIC #12873, a Florida domiciled reciprocal insurer, has submitted an application to the Idaho Department of Insurance ("Department") for a certificate of authority allowing PURE to operate in Idaho as a property and casualty insurer.

The Department has reviewed PURE's application, as well as a "keep-well" agreement between PURE and Tokio Marine & Nichido Fire Insurance Co., Ltd., more particularly described below. Following such review, the Department and PURE have agreed that it is in the best interests of PURE, the Department, and Idaho consumers that a certificate of authority be issued to PURE subject to the following conditions:

1. If at any time PURE's Risk-Based Capital ("RBC") falls below 350%, PURE will notify the Department within five (5) business days of identifying such an RBC level. The notice shall be accompanied by a plan that includes the steps PURE will take to maintain RBC over 350%; and

2. If at any time the keep-well agreement as agreed to between Tokio Marine & Nichido Fire Insurance Co., Ltd., and PURE on March 5, 2021, and any amendments thereto, is triggered, meaning PURE's RBC has fallen below 300%, PURE will notify the Department within five (5) business days of recognizing such an RBC level. Upon receiving this notice, the Department reserves the right to require PURE to establish a deposit pursuant to Idaho Code § 41-316(2) ("Additional Deposit") through the Director of the Department for the benefit of Idaho policyholders, in addition to the statutory deposit it has made with its state of domicile. The amount and manner of the deposit will be determined by the Department, taking into consideration the amount of contractual obligations PURE has written in Idaho. Any other terms or conditions specific to the deposit will be determined at the sole discretion of the Director at the time the Additional Deposit is established; and
3. If at any time the keep-well agreement described in paragraph 2 above is terminated, upon learning of the termination, PURE will notify the Department of the termination within five (5) business days. Upon receiving this notice, the Department reserves the right to require an Additional Deposit to be established in an amount and manner as explained in paragraph 2 above; and
4. Each of the foregoing terms, as set forth in paragraphs 1 through 3 above, shall remain in force for a period of five (5) years beginning on the date of entry of the Final Order approving this Stipulation.

PURE expressly agrees to the terms of this Stipulation, agrees to comply with such terms as a condition of issuance of an Idaho certificate of authority, and waives its right to seek reconsideration and judicial review of the Final Order approving this Stipulation.

Before entering into this Stipulation, PURE has had an opportunity to review the terms of this Stipulation with counsel of its choosing.

This Stipulation embodies the entire agreement between the Department and PURE, and there are no agreements, understandings, representations or warranties that are not expressly set forth herein.

The parties agree that the terms of this Stipulation are appropriate and proper under the circumstances referenced herein and that they have entered into this Stipulation knowingly and voluntarily and with full knowledge of any rights they may be waiving thereby.

This Stipulation is subject to approval by the Director and shall become effective and binding upon the Department and PURE upon such approval.

AGREED THIS 3<sup>rd</sup> day of May, 2021.

PURE Risk Management, LLC, as attorney-in-fact for  
PRIVILEGE UNDERWRITERS RECIPROCAL EXCHANGE

DocuSigned by:  
By: Ross Buchmuller  
Name: ROSS BUCHMUELLER  
Its: CEO

AGREED THIS 3<sup>RD</sup> day of MAY, 2021.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

By: Eric Fletcher  
Eric Fletcher  
Bureau Chief / Chief Examiner  
Company Activities Bureau

**FINAL ORDER**

IT IS HEREBY ORDERED that the foregoing Stipulation is approved, and the conditions set forth therein adopted as though set forth in full, as a requirement for the issuance of a certificate of authority to Privilege Underwriters Reciprocal Exchange, NAIC #12873, to operate in Idaho as a property and casualty insurer, for the specific lines of insurance as reflected in the certificate of authority so issued.

DATED AND EFFECTIVE this 4 day of May, 2021.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE



DEAN L. CAMERON  
Director

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 4<sup>th</sup> day of May, 2021, I caused a true and correct copy of the foregoing STIPULATION AND FINAL ORDER FOR ISSUANCE OF IDAHO CERTIFICATE OF AUTHORITY to be served upon the following by the designated means:

Privilege Underwriters Reciprocal Exchange  
Kirk J. Raslowsky  
SVP, General Counsel & Secretary  
44 South Broadway, Ste. 301  
White Plains, NY 10601

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ facsimile
- ☐ email

  
Pamela A. Murray